SECTION II - PROSTHETICS

CONTENTS

212.208 Continuous Glucose Monitors 1-1-22

A. The Arkansas Medicaid Program provides coverage for a continuous glucose monitor (CGM) for the treatment of a Medicaid client if the client has:

1. Either:

a. A presence of type 1 diabetes or any other type of diabetes with the use of insulin more than two (2) times daily; or

b. A presence of type 1 diabetes or any other type of diabetes with evidence of Level 2 or Level 3 hypoglycemia; or

c. Diagnosis of glycogen storage disease type 1a; or

d. Use of an insulin pump; and

2. Regular follow-up with a healthcare provider at a minimum every six (6) months to assess for ongoing benefit.

B. Definition. As used in this section, "continuous glucose monitor" means an instrument or device, including repair and replacement parts, that:

1. Is designed and offered for the purpose of aiding an individual with diabetes;

2 Measures glucose levels at set intervals by means of a small electrode placed under the skin and held in place by an adhesive; and

3 Is generally not useful to an individual who has not been diagnosed with diabetes.

C. Additional requirements are set out in Section 242.113.

242.113 Continuous Glucose Monitors 1-1-22

A. A Continuous Glucose Monitor (CGM) is covered by Arkansas Medicaid as set out in Section 212.208 of this provider manual.

B. The correct procedure codes and modifiers are found in the following link:

View or print the procedure codes and modifiers for Durable Medical Equipment (DME), oxygen equipment and supplies, orthotic appliances, prosthetic devices and medical supplies, procedures and services.

C. A prior authorization (PA) is required for a CGM. Requests for prior authorization must be submitted to DHS or its designated vendor. **View or print contact information for how to submit the request**. Requests must be made on form DMS-679A titled *Prescription & Prior Authorization Request for Medical Equipment Excluding Wheelchairs & Wheelchair Components.* (**View or print form DMS-679A and instructions for completion.**)

7. Home Health Services (Continued)

7.c. **In accordance with 42 CFR 440.70(b)(3) medical supplies, equipment and appliances are suitable for use in any setting in which normal life activities take place.** (Continued)

(5) Diapers/Underpads

Diapers/underpads are limited to $130.00 per month, per beneficiary. The $130.00 benefit limit is a combined limit for diapers/underpads provided through the Prosthetics Program and Home Health Program. The benefit limit may be extended with proper documentation. Only patients with a medical diagnosis other than infancy which results in incontinence of the bladder and/or bowel may receive diapers. This coverage does not apply to infants who would otherwise be in diapers regardless of their medical condition. Providers cannot bill for underpads/diapers if a beneficiary is under the age of three years.

(6) DME/Continuous Glucose Monitors.

A. Continuous Glucose Monitors (CGM) will be covered for Arkansas Medicaid clients.
B. A prior authorization (PA) will be required and the service will be provided for those clients who meet medical necessity.

7.d. Physical therapy, occupational therapy, or speech-language pathology and audiology services provided by a home health agency or medical rehabilitative facility.

Physical therapists must meet the requirements outlined in 42 CFR 440.110(a).

Services under this item are limited to physical therapy when provided by a home health agency and prescribed by a physician. Effective for dates of service on or after July 1, 2017, individual and group physical therapy are limited to six (6) units per week. Effective for dates on or after January 1, 2021, physical therapy evaluations are limited to two (2) units per State Fiscal Year (July 1 through June 30). Extensions of the benefit limits will be provided if medically necessary for eligible Medicaid recipients.

8. Private Duty Nursing to enhance the effectiveness of treatment for ventilator-dependent beneficiaries or non-ventilator dependent tracheotomy beneficiaries

Enrolled providers are Private Duty Nursing Agencies licensed by Arkansas Department of Health. Services are provided by Registered Nurses or Licensed Practical Nurses licensed by the Arkansas State Board of Nursing.

Services are covered for Medicaid-eligible beneficiaries age 21 and over when determined medically necessary and prescribed by a physician.

Beneficiaries 21 and over to receive PDN Nursing Services must require constant supervision, visual assessment and monitoring of both equipment and patient. In addition, the beneficiary must be:

A. Ventilator dependent (invasive) or
B. Have a functioning trach
   1. requiring suctioning and
   2. oxygen supplementation and
   3. receiving Nebulizer treatments or require Cough Assist / inexsufflator devices.

7. Home Health Services (Continued)

7.c. **In accordance with 42 CFR 440.70(b)(3) medical supplies, equipment and appliances are suitable for use in any setting in which normal life activities take place. (Continued)**

(5) Diapers/Underpads

Diapers/underpads are limited to $130.00 per month, per recipient. The $130.00 benefit limit is a combined limit for diapers/underpads provided through the Prosthetics Program and Home Health Program. The benefit limit may be extended with proper documentation. Only patients with a medical diagnosis other than infancy which results in incontinence of the bladder and/or bowel may receive diapers. This coverage does not apply to infants who would otherwise be in diapers regardless of their medical condition. Providers cannot bill for underpads/diapers if a recipient is under the age of three years.

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B. A prior authorization (PA) will be required and the service will be provided for those clients who meet medical necessity.

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7. Home Health Services (Continued)

c. Medical Supplies, Equipment and Appliances Suitable for Use in the Home (continued)

(5) Aerochamber Device

Effective for dates of service on or after October 1, 1997, reimbursement is based on the lesser of the provider's actual charge for the service or the Title XIX (Medicaid) maximum. The Title XIX (Medicaid) maximum established was based on a 1997 survey of Durable Medical Equipment (DME) providers. The information obtained in the survey indicated there is only one major manufacturer and distributor of the aerochamber devices (with or without mask) to providers enrolled in the Arkansas Medicaid Program. It was determined the aerochamber devices are sold to each provider for the same price. As a result, the current Title XIX (Medicaid) maximum for the aerochamber devices (with or without mask) was established based on the actual manufacturer=s list prices. Thereafter, adjustments will be made based on the consumer price index factor to be implemented at the beginning of the appropriate State Fiscal Year, July 1.

(6) Specialized Wheelchairs, Seating and Rehab Items

Reimbursement is based on the lesser of the provider's actual charge for the service or the Title XIX (Medicaid) maximum. Effective for claims with dates of service on or after May 1, 1995, the Title XIX (Medicaid) maximums were established utilizing the manufacturer's current published suggested retail price less 15%. The 15% is the median of Oklahoma Medicaid which is currently retail less 12% and Texas Medicaid which is currently retail less 18%. Effective for claims with dates of service on or after September 1, 1995, the following Kaye Products, procedure codes Z2059, Z2060, Z2061 and Z2062, are reimbursed at the manufacturer's current published suggested retail price. The State Agency and affected provider association representatives will review the rates annually and negotiate any adjustments.

(7) DME/Continuous Glucose Monitors.

Procedure Codes and Rates.

A. **Rates. Effective for dates of service on or after January 1, 2022, reimbursement for Continuous Glucose Monitors (CGM) and related supplies is based on the Medicare non-rural rate for the State of Arkansas (effective as of July 28, 2021, and subject to change when Medicare rates are adjusted) for the allowable procedure codes. All rates are published on the agency's website. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.**

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Division of Medical Services

PERSON COMPLETING THIS STATEMENT Jason Callan

TELEPHONE 501-320-6540 **FAX** _____ **EMAIL:** Jason.Callan@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Continuous Glucose Monitors

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☒ No ☐

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

   If an agency is proposing a more costly rule, please state the following:

   (a) How the additional benefits of the more costly rule justify its additional cost;
   N/A

   (b) The reason for adoption of the more costly rule;
   N/A

   (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;
   N/A

   (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.
   N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

   (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year		**Next Fiscal Year**	
General Revenue	$	General Revenue	$
Federal Funds	$	Federal Funds	$
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	

Other (Identify)		Other (Identify)	
Total	$	Total	$

(b) What is the additional cost of the state rule?

Current Fiscal Year		**Next Fiscal Year**	
General Revenue	$594,107	General Revenue	$1,188,213
Federal Funds	$1,499,293	Federal Funds	$2,998,585
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	
Other (Identify)		Other (Identify)	
Total	$2,093,399	Total	$4,186,799

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year	**Next Fiscal Year**
$	$

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year	**Next Fiscal Year**
$ 594,107	$ 1,188,213

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars ($100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☒ No ☐

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;
The purpose of this Rule is to implement the requirements of Arkansas Act 643 of 2021.

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute**;**
Act 643 of 2021 requires that Continuous Glucose Monitors (CGM) and related supplies be covered by Arkansas Medicaid. The Act defines a CGM, and the criteria for coverage.

(3) a description of the factual evidence that:

(a) justifies the agency's need for the proposed rule; and
(b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

Continuous Glucose Monitors provide safe and effective monitoring of glucose levels for those who require multiple measurements throughout the day and will help qualifying clients to control their diabetes in a manner that will prevent more costly treatments.

(4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
No less costly alternatives were identified.

(5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
No alternatives are proposed at this time.

(6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
Not applicable

(7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
(a) the rule is achieving the statutory objectives;
(b) the benefits of the rule continue to justify its costs; and
(c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

The Agency monitors State and Federal rules and regulations for opportunities to reduce and control cost.